

Message Text

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PAGE 01 SEOUL 03978 130408Z

ACTION EA-09

INFO OCT-01 ISO-00 EB-07 /017 W

-----132117Z 088633 /45

R 130300Z MAY 77

FM AMEMBASSY SEOUL

TO USDOC WASHDC

INFO SECSTATE WASHDC 3866

UNCLAS SEOUL 3978

E.O. 11652: N/A

TAGS: BEXP, KS

SUBJECT: LICENSING/INVESTMENT OPPORTUNITY FOR AMERICAN
ENGINEERING/CONSTRUCTION COMPANY

1. MR. OH BYUNG-HUN, MANAGING DIRECTOR OF NEWLY FORMED SAMSUNG CONSTRUCTION CO., CALLED AT EMBASSY TO REQUEST ASSISTANCE IN CONTACTING AMERICAN ENGINEERING/CONSTRUCTION COMPANIES INTERESTED IN TECHNICAL LICENSING AND/OR JOINT VENTURE ARRANGEMENTS WITH SAMSUNG. HE EXPLAINED SAMSUNG CONSTRUCTION COMPANY, FORMED LAST FEBRUARY, IS PART OF SAMSUNG GROUP, HEADED BY SAMSUNG MOOLSA CO., LTD. (WTDR 1/30/76), ONE OF LARGEST AND MOST DIVERSIFIED BUSINESS COMBINES IN KOREA; UNLIKE OTHER SUCH CONGLOMERATES, SAMSUNG GROUP HAD NOT PREVIOUSLY INCLUDED A CONSTRUCTION COMPANY.

2. MR. HO EXPLAINED THAT BECAUSE IT IS A LATE-COMER, SAMSUNG IS NOT LIKELY TO OBTAIN MANY GOVERNMENTAL CONSTRUCTION JOBS IN KOREA, AT LEAST NOT INITIALLY, SINCE GOVERNMENT HAS RELATIONSHIPS WITH SEVERAL EXISTING CONSTRUCTION COMPANIES. MOST ATTENTION OF HIS NEW COMPANY WILL THUS BE GIVEN TO WINNING OVERSEAS JOBS, ESPECIALLY IN THE MIDDLE EAST. ALSO, SINCE HE FORESEES THE DAY WHEN KOREAN WORKERS WILL BE RELUCTANT TO WORK IN CLIMATE OF MIDDLE EAST, HE PLANS TO MAKE SAMSUNG A TECHNOLOGY-INTENSIVE COMPANY, RATHER THAN LABOR-INTENSIVE.

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IT WOULD CONCENTRATE ON PLANT CONSTRUCTION, INVOLVING HEAVY MACHINERY, RATHER THAN ROADS, PORTS, ETC. HE EXPECTED THERE WERE MANY AMERICAN ENGINEERING/CONSTRUCTION COMPANIES THAT HAD TECHNIQUES NOT YET KNOWN IN KOREA. AS EXAMPLES, HE SAID HE BELIEVED SUCH AMERICAN ENGINEERING COMPANIES AS BECHTEL AND LUMMUS ALSO HAD CONSTRUCTION ARMS, AND THAT THERE WERE PROBABLY MANY MORE. HE SAID WHAT HE HAD IN MIND

WAS A SORT OF SEMI-PERMANENT RELATIONSHIP WITH A SUITABLE AMERICAN COMPANY, WHICH COULD INCLUDE JOINT VENTURE ARRANGEMENTS FOR SPECIFIC PROJECTS. HE WOULD BE WILLING TO TRAVEL TO THE UNITED STATES TO DISCUSS THIS WITH INTERESTED AMERICAN COMPANIES, BUT PREFERABLY AFTER SOME INITIAL CONTACT HAD BEEN MADE.

3. SINCE FEBRUARY, WHEN COMPANY WAS FORMED, MR. OH HAS RECRUITED MINETY TECHNICIANS LOCALLY, WITH ANYWHERE FROM THREE TO TWELVE YEARS EXPERIENCE, AND COMPANY IS ALREADY ENGAGED IN CONSTRUCTION JOBS, AINLY WITHIN THE SAMSUNG GROUP IN KOREA. COMPANY ALSO RECENTLY OBTAINED A CONTRACT TO CONSTRUCT A CHEMICAL PLANT IN ABU DHABI, WORKING WITH IHI OF JAPAN.

4. MR. OH SAID SAMSUNG CONSTRUCTION COMPANY WAS CAPITALIED AT 750 MILLION WON(\$1.5 MILLION), AND THAT FINANCING SHOULD NOT BE A PROBLEM, SINCE RESOURCES WITHIN THE SAMSUNG GROUP WOULD BE AVAILABLE TO ASSIST THE COMPANY.

5. INTERESTED AMERICAN COMPANIES SHOULD WRITE TO:

MR. OH BUYNG-HUN, MANAGING DIRECOR
SAMSUNG CONSTRUCTION CO.
ROOM 1901 DONG BANG BLDG.
2-250, TAI PYUNG RO, CHUNG-KU
SEOULO, KOREA
SNEIDER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Sent Date: 13-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
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Handling Restrictions: n/a
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Line Count: 89
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Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
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Office: ACTION EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
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Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2534747
Secure: OPEN
Status: NATIVE
Subject: LICENSING/INVESTMENT OPPORTUNITY FOR AMERICAN ENGINEERING/CONSTRUCTION COMPANY
TAGS: BEXP, KS
To: COM
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/fabaa494-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009